

**ASSEMBLY BILL**

**No. 1252**

**Introduced by Assembly Member Jackson**

February 21, 2003

---

An act to amend Section 10234.93 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1252, as introduced, Jackson. Insurance.

Existing law requires an insurer of long-term care in California to provide specified continuing education to agents and insurer representatives authorized to solicit individual consumers for the sale of long-term care insurance.

This bill would rename various continuing education requirements as training.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 10234.93 of the Insurance Code is  
2 amended to read:  
3 10234.93. (a) Every insurer of long-term care in California  
4 shall:  
5 (1) Establish marketing procedures to assure that any  
6 comparison of policies by its agents or other producers will be fair  
7 and accurate.  
8 (2) Establish marketing procedures to assure excessive  
9 insurance is not sold or issued.

(3) Submit to the commissioner within six months of the effective date of this act, a list of all agents or other insurer representatives authorized to solicit individual consumers for the sale of long-term care insurance. These submissions shall be updated at least semiannually.

(4) Provide the following ~~continuing education~~ *training* and require that each agent or other insurer representative authorized to solicit individual consumers for the sale of long-term care insurance shall satisfactorily complete the following ~~continuing education~~ *training* requirements—~~which that, for resident licensees~~, shall be part of, and not in addition to, the continuing education requirements in Section 1749.3:

(A) For licensees issued a license after January 1, 1992, eight hours of ~~education~~ *training* in each of the first four 12-month periods beginning from the date of original license issuance and thereafter and eight hours of ~~education~~ *training* prior to each license renewal.

(B) For licensees issued a license before January 1, 1992, eight hours of ~~education~~ *training* prior to each license renewal.

(C) For nonresident licensees that are not otherwise subject to the continuing education requirements set forth in Section 1749.3, the evidence of ~~education~~ *training* required by this section shall be filed with and approved by the commissioner as provided in subdivision (g) of Section 1749.4.

Licensees shall complete the initial ~~continuing education~~ *training* requirements of this section prior to being authorized to solicit individual consumers for the sale of long-term care insurance.

The ~~continuing education~~ *training* required by this section shall consist of topics related to long-term care services and long-term care insurance, including, but not limited to, California regulations and requirements, available long-term care services and facilities, changes or improvements in services or facilities, and alternatives to the purchase of private long-term care insurance. On or before July 1, 1998, the following additional ~~continuing education~~ *training* topics shall be required: differences in eligibility for benefits and tax treatment between policies intended to be federally qualified and those not intended to be federally qualified, the effect of inflation in eroding the value of benefits and the

1 importance of inflation protection, and NAIC consumer suitability  
2 standards and guidelines.

3 (5) Display prominently on page one of the policy or certificate  
4 and the outline of coverage: “Notice to buyer: This policy may not  
5 cover all of the costs associated with long-term care incurred by  
6 the buyer during the period of coverage. The buyer is advised to  
7 review carefully all policy limitations.”

8 (6) Inquire and otherwise make every reasonable effort to  
9 identify whether a prospective applicant or enrollee for long-term  
10 care insurance already has accident and sickness or long-term care  
11 insurance and the types and amounts of any such insurance.

12 (7) Every insurer or entity marketing long-term care insurance  
13 shall establish auditable procedures for verifying compliance with  
14 this subdivision.

15 (8) Every insurer shall provide to a prospective applicant, at the  
16 time of solicitation, written notice that the Health Insurance  
17 Counseling and Advocacy Program (HICAP) provides health  
18 insurance counseling to senior California residents free of charge.  
19 Every agent shall provide the name, address, and telephone  
20 number of the local HICAP program and the statewide HICAP  
21 number, 1-800-434-0222.

22 (9) Provide a copy of the long-term care insurance shoppers  
23 guide developed by the California Department of Aging to each  
24 prospective applicant prior to the presentation of an application or  
25 enrollment form for insurance.

26 (b) In addition to other unfair trade practices, including those  
27 identified in this code, the following acts and practices are  
28 prohibited:

29 (1) Twisting. Knowingly making any misleading  
30 representation or incomplete or fraudulent comparison of any  
31 insurance policies or insurers for the purpose of inducing, or  
32 tending to induce, any person to lapse, forfeit, surrender,  
33 terminate, retain, pledge, assign, borrow on, or convert any  
34 insurance policy or to take out a policy of insurance with another  
35 insurer.

36 (2) High pressure tactics. Employing any method of marketing  
37 having the effect of or tending to induce the purchase of insurance  
38 through force, fright, threat, whether explicit or implied, or undue  
39 pressure to purchase or recommend the purchase of insurance.



1     (3) Cold lead advertising. Making use directly or indirectly of  
2 any method of marketing which fails to disclose in a conspicuous  
3 manner that a purpose of the method of marketing is solicitation  
4 of insurance and that contact will be made by an insurance agent  
5 or insurance company.

O

